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DEVELOPMENT OF MANPOWER AND ADMINISTRATIVE CAPABILITIES IN PUBLIC FINANCIAL MANAGEMENT IN AFRICAN COUNTRIES

M81-1954

Introduction

1. As changes take place in the objects and patterns of activities to be carried out by governments, efforts have to be made to reorient government programmes as well as the officials who manage such programmes. This has been found to be true in developed and developing countries where public sectors have expanded.

2. Nowadays, governments of all African countries are conducting more activities, assuming increasing responsibilities and regulating more aspects of private economic activity. These increased governmental functions are undertaken in pursuit of rapid economic and social development. The striking feature, therefore, in African countries is the growing complexity and tremendous increase in the expenditure on resources by the public sectors of these countries. Government departments have increased in number and expanded in scope of activities for dealing with economic and social development tasks. Various public corporations have been established to assist in tackling the expanding public sector activities. One example of the expansion of governmental activities is the growth of the ratio of public sector expenditures to the gross national product (GNP) in all African countries.

3. As can be seen in several issues of the "Survey of Economic and Social Conditions in Africa", published by ECA, the public sectors in African developing countries as a whole have been absorbing about 15 to 50 per cent of the gross domestic product. For example, in North Africa viz. Algeria, Egypt, Libya and Sudan, the share is between 20 and 50 per cent. In West Africa: Ghana, Nigeria and Ivory Coast, etc., it ranges between 20 and 30 per cent; while in Eastern Africa. Ethiopia, Kenya, Somalia, Uganda, Tanzania, Malawi and Zambia, it ranges between 12 and 30 per cent.

4. Specifically, what has been the impact of the expansion of public sector activities on the volume and management of public financial resources? The growth of governmental activities has made it necessary for all African countries to expand their budgets with consequential heavy task for governments in mobilizing, allocating and controlling public financial resources. Furthermore the increase in the volume and control of these financial resources has posed a greater challenge to public officials at all levels in all government agencies and departments involved in public financial management. The challenge now requires a new type of public finance officials who are expected to deal with financial functions centred on the promotion of economic and social development. The role of financial management function is, therefore, assuming an increasing importance and now constitutes a high priority need among the administrative goals of governments of African countries.

The scope of public financial management

5. Public financial management is a continuous process of related operations which contributes to necessary management decisions. Financial management function emerges from policy decisions which involve a whole series of policy options or alternatives. It is really the political process of mobilizing, allocating and controlling financial resources for development. Financial management in government commences from the moment at which the policy decision is taken and has essentially four parts[1/]. The policy adopted by governments has to be converted into a development plan outlining programmes to be undertaken in order to achieve economic and social objectives of a government. Such plans have many elements, one of which is the financial plan which is a projection of both domestic and external financial resources required for the financing of programmes and projects included in the plan. Financial plans have often been reflected in many economic and social development plans of African countries which are generally based on the assumption that both foreign and domestic financial resources would be available for the financing of investment programmes. Financial management, therefore, starts with the making of the plan which would require officials who are experts in financial projectsions.

6. The next process consists of ensuring that the necessary systems are available to implement and control the plan or if they are not available to set them up. By systems here are meant the whole complex of people, machines and financial systems and records which are necessary to measure and control the progress of the plan. Trained and skilled manpower is an essential input for national development. In most African countries one of the overwhelming weaknesses of national development planning and plan implementation has been the inadequate numbers of competent personnel available inside or outside the government. There is often a small group of skilled and well trained personnel and an excess of unskilled manpower. Serious shortages are generally prevalent in the middle-level category.

7. An adequate financial system comprises the provision for effective taxation, budgeting, accounting and auditing mechanisms to help raise, allocate and control financial resources needed for development. The willingness and ability of African governments to pursue firm fiscal policies and systems has been subject to various political and economic constraints. While in economic terms, the capacity of African countries to raise enough financial resources has been constrained by such factors as the level of per capita income, yet the instruments which are in the hands of governments have themselves not been reformed or strengthened to serve the needs of rapid economic and social development. This is evidenced in the inadequacy of budget surpluses in many African countries needed for the financing, for example, capital budgets.

1/ K.J. Sharp. "Financial Management in the Civil Service - The role of Accountants". Management Services in Government. May 1977, Vol. 32, No.2.

8. Government financial systems should be so devised[2] both to facilitate programme planning and to safeguard the use of the public's funds. This brings us to two important aspects of financial management: the measuring of the execution, comparing the performance against the plan and analysing any material departures from the plan, computing the effect of those departures on policy, and reporting accordingly to those responsible for policy - in other words, expenditures control. Expenditure control in the government of many African countries is nothing more than over-checking. "Clearly, checking there must be. But the necessity for each check and the time to be spent on it must be determined in the light of a realistic assessment of the cost in money and time. When the administrative apparatus becomes so clogged with checks and rechecks that the flow of public business is almost halted by bottlenecks at many points on every level, the safeguards may cost more than they are worth".[3]

9. The overchecking as a means of control of government expenditure is prevalent in the governments of African countries because accounting and auditing which are the financial infrastructures used for controlling expenditure have not yet changed in scope to meet the needs of planned development. The concerns in planned development processes with regard to accounting and auditing are now the measurement of cost, performance and productivity of government programmes. And this concern has been reinforced by the growing attention to programme budgeting with emphasis on objectives and programmes than on objects of expenditure based on accountability.

10. There are many techniques for expenditure control but the main tools used in government administration are accounting and auditing. Accounting has been defined as the "art of recording, classifying and summarizing transactions, wholly or in part of a financial nature, in terms of money, and interpreting the results thereof".[4] Accounting provides information on expenditures and permits adherence to the budget. Periodic financial report based on accounting data makes it possible to compare actual with estimated costs of operations. Without a good accounting system, those responsible for both the long-range planning and the day-by-day administration cannot be expected to achieve the desired results. Auditing on the other hand is an analysis of proposed and past expenditures with respect not only to their legality but also to their desirability. Nowadays, the emphasis in auditing is "value for money".

11. Expenditure control, that is, with emphasis on value for money, seems to be rather weak in African countries. This weakness makes for corruption thus leading to the misuse of the countries' human resources and scarce financial and material resources. Besides this weakness, governments' annual accounts and audit reports are always late and do not serve any useful purpose for expenditure control. The main reason for these delays is the lack of qualified staff to undertake the task in less time.

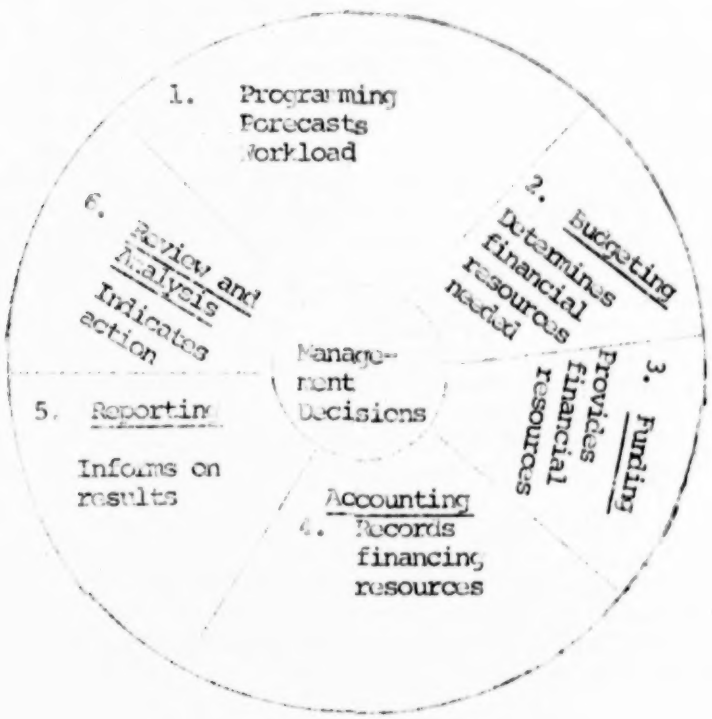
2/ Felix A. Nigro: Modern Public Administration, Harper and Row, Publishers New York, 1965.

3/ Federal Republic of Nigeria: "Public Service Review Commission, main report" Federal Ministry of Information, Printing Division, Lagos, September 1974.

4/ Puerto Rico and its Public Administration Programme, Rio Piedras, Puerto Rico University of Puerto Rico, 1945 cited by Felix A. Nigro. op. Cit.

12. In all African countries, public financial management structures are set up in accordance with financial instructions, orders and rules laid down in the constitutions of these countries. They guide civil servants in their day-to-day involvement in government financial operations. In many cases, these financial instructions have remained unamended and restricted in scope, thus making them unsuitable for the management of planned development which requires alternative decision making in plan implementation.

13. According to what has so far been discussed in paragraphs 5 to 12, public financial management function can be said to incorporate appropriate programming, budgeting, accounting and reporting practices. Besides providing the basis for accountability, it gives opportunity to evaluate "how well and how efficiently operating management has carried out its assigned responsibilities".5/ Diagramatically this function is illustrated below:



Source: UN: A Manual for Programme and Performance Budgeting

5/ United Nations: A Manual for Programme and Performance Budgeting Sales No. E.66.XVI.I.

14. The scope of public financial management should not, however, according to the above diagram, be interpreted as simply a matter of keeping books and records. The budgets, accounts, auditing and periodic reports are essential, but only as tools for planning and carrying out the substantive programmes of government in such a way as to make the wisest and most efficient use of resources available. The function of financial administration should, therefore, be regarded in government as an inextricable part of management responsibility, not a mere appendage to it 5/.

Public financial management needs in personnel

15. The effective management of public financial systems in African countries will have to depend on human skill, energy, knowledge and attitude, in short, on those civil servants who deal with government financial operations. Who are these specialists? What are their functions? And in which departments or agencies do they work? The answers to these questions are indicated by the kinds of questions asked of public finance 6/. Some of the questions asked are:

1. "What are the effects of fiscal proposal or practice upon national production or income? the national standard of living? distribution of wealth and income?

2. "What are the effects of the proposal or practice upon:

   - the rights of citizens?
   - the structure and form of government?
   - international relations?"

3. Is the adoption of the proposal possible?

4. How do we:

   - procure the necessary personnel?
   - procure the materials?
   - get the job done efficiently" 7/

5. How do we raise the necessary resources?

6. How do we know whether the programmes were efficiently implemented?

5/ Felix A. Nigro: Op. cit.

6/ Philip E. Taylor: The Economics of Public Finance. The Macmillan Company, New York, 1965.

7/ Ibid., page 4.

16. The various parts of question 1 are answerable by economists since they involve the knowledge of the structure of the economy and the forces which make it operate as it does. Question 2 is answered by the political scientist or the lawyer who is the practitioner in rules and regulations. Question 3 is for the politicians. Question 4 must be answered by the administrator who is responsible for organization, in getting the right people for the right job. The last two questions must be answered by tax administrators, accountants, statistician and auditors.

17. The most important categories of personnel required for managing public financial infrastructure therefore are economists, accountants, financial experts, bankers, tax lawyers, administrators and auditors to name only a few. Each of these categories, in turn requires different specializations and skill levels. While these categories are needed for public financial management, for purposes of effective management of development in general, it is necessary to have personnel who combine financial and managerial expertise in varying degrees. By and large, there is lack of trained personnel for public financial management in African countries. This stems from the fact that public financial management does not comprise a single discipline or profession but draws upon a variety of disciplines and professions.

18. Personnel for public financial management are normally in the treasury or ministry of finance which in many African countries (comprises, the office of the Minister of Finance, the office of the Accountant General and the taxation departments) and in the office of the Director of Audit. In some countries, heads of departments are also designated as "accounting officers"6/ for purposes of financial control.

19. In all African countries, the control and management of government finances is the principal function of the Ministry of Finance. The Ministry of Finance is the major advisory agency to the government in matters of general fiscal policy. This ministry is required to engage in research, policy-proposing and policy-determining functions with regard to fiscal policy issues. After the independence surge in the African region, the interests of many African countries have come to be centred on dynamic change and development. Thus the first duty of finance ministries in these countries is now to use fiscal policies and systems to promote rapid economic and social development of their countries. To do this, the finance ministries should on the one hand take measures to increase the productivity of labour, and on the other ensure a high level of savings and channel these savings rapidly and effectively to the most productive investments. But how can the new type of finance ministries in African countries perform all these tasks?

20. To fulfill these tasks, the ministry of finance in developing countries "must reshape existing policy tools and devise new ones in areas such as fiscal, budgetary, monetary, credit, interest and foreign exchange policies and that it must use these tools in sensitive, sophisticated, and mutually reinforcing way. In other words, the

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6/ According to countries following the British conception of financial control, the Treasury always nominates one person in each department as "accounting officer" and on him (and not on the Minister responsible for the department) rests the responsibility for accounting to Parliament for every penny voted to his department. The title is distinguished from "accounts officer" which he is not.

ministry of finance should bring a new meaning and significance to all the economic policy tools 9/. But above all the staff or personnel in the ministry of finance should be adequately equipped with the skills, training and techniques to use the tools effectively and efficiently. In general, the personnel in ministries of finance should be technical specialists such as budget officials, economists, financial experts, etc. In African countries, most of the staff in the ministries of finance have been trained primarily by experience. They are unable to go deeply into economic analysis, have little grasp of economic development, and they tend to consider that existing rules have absolute validity.

21. Budget preparation and control is found to be located in most ministries of finance in African countries. The functions carried out by the personnel responsible for budgetary policy has up till now remained traditional and orthodox in approach because budget staff in these ministries is so under-manned and not sufficiently trained to cope with the adoption or introduction of modern government budgetary approach which calls for budget preparation and administration based on programme budgeting quite different from traditional budgetary policy with emphasis on objects of expenditure. The weaknesses of the staff of budget bureaus in many African countries is their conception that budget making is a once-a-year affair, and they are ineffective and seem to lack forward looking review of estimates of expenditures which are received from other ministries. The consequence of the last weakness is seen in the number of supplementary estimates which come up during each fiscal year and the inclusion in current and capital budgets of projects and activities without being subjected to analysis and selection on the basis of their yield and economic effects on development. The job of drawing up the annual plan for the nation demands statistical skills involving the ability to outline and prepare systems of national and budget accounts, planning skill capable of using economic policy to verify that the ends and means are consistent, as well as special knowledge of fiscal policy, trade policy, etc.

22. While the personnel responsible for the allocation of resources in the Ministry of Finance of some African countries still use the traditional type of budgeting, public finance officials engaged in the raising of resources have not been able to provide enough revenue and carry through an overall tax reform which will suit the purposes of rapid economic development. Thus, a big deficit between tax revenues and expenditures generally occurs in almost every government budget of African countries. The financing of these deficits in most cases has depended on Central Banks' capacity to print money, thus creating inflationary trend in the public sector with its counterpart in the private sector. Since tax policy has a specific role to play within the framework of economic policy geared to economic development, the personnel engaged to perform this function should have in mind that taxation policy is now functional. The policy should be directed to securing the sums necessary for government current expenditures, assuring enough additional funds for government investment outlays, providing the funds without diminishing the desire or the ability of the private sector to save and invest, and on the contrary, it should do this by reducing the level of private consumption and by impeding the outflow of resources. It should also stimulate private savings and encourage their flow to the most productive fields.

9/ Kemal Kurdas: "The Ministry of Finance and Economic Policy"; in O.E.C.D. Publication: Government Organization and Economic Development; Paris, 1966.

23. Expansion of the public sectors in African countries due to development, has led to "wide recognition of the creative role of the administrator and the need for constant reappraisal of this role in the light of the new circumstances, but the same can hardly be said of the government accountant" 10/. The functions of government accountants being important in public financial management have to be adapted to a new approach if development policies are to be fully implemented and public funds are used to maximum effect. Account officers in governments of African countries are often too concerned with preparing figures as end in itself without relating these figures to the formulation, execution and evaluation of development programmes and projects. Perhaps the most glaring deficiencies of government accounting are the cumulative delay and tardiness in completing accounts, clerical error, misallocation, failure to reconcile departmental records with treasury records and delay in closing and submitting the accounts. There are also accounting inadequacies at the departmental level. These deficiencies often lead to weak expenditure control.

24. Another area that account officers play a more significant role is in audit, internal or external. Internal audit in most governments is rather variable. In some governments it does not exist. In those countries where there are internal audits, the staff would require substantial degree of theoretical knowledge, the acquisition of specific skills and attitude of mind which can only be acquired through long practical experience.

25. All African countries have the post of Auditor-General in one form or the other. It is true to say that the personnel in government audit offices still follow the traditional system of auditing and therefore they do not do two things: In the first place, they are not much concerned with policy, and in the second place their function does not claim to be an efficiency or performance audit - audit for value for money.

26. Besides these public finance officials which have been described, African countries following the British pattern of public financial administration, the head of a department or ministry is usually appointed as the Accounting Officer. He has the duty of ensuring that the funds entrusted to him are applied only to the purposes intended by Parliament or the legislature and that no more has been spent than has been voted and that the expenditure has been incurred in accordance with established rules and regulations and with prudence and economy. In most cases these officers are administrators. There is therefore need for them to acquire general knowledge of financial management techniques.

10/ Margaret Priestley and Neil Bax: "Government accounting in Ghana - A survey of problems and possibilities", Greenhill Journal of Administration, July - September 1975.

27. The analysis made in this section of the personnel involved in government financial management has shown that public financial management as a tool in economic and social development requires that measures be taken on a co-ordinated basis to reform, sharpen and recrient the skills of its personnel to be able to acquire the necessary technical competence in carrying out their tasks. The necessity for this has also recently been reinforced by the adoption of the Lagos Plan of Action the implementation of which at national levels will give rise to the management of increased public financial resources and thus the need for more skilled, efficient and trained public finance officials who are sufficiently oriented to socio-economic development objectives.

Training of personnel for public financial management

28. In public financial management in African countries is to play the role it ought to play in economic and social development of these countries, the system needs to have the type of personnel which possess technical understanding of, and competence in modern financial administration in the context of economic development. Governments have made efforts in their training programmes for civil servants although in many cases, the training has been particularly emphasised by the necessity to replace expatriate officials with new civil servants recruited from the indigenous populations of these countries. It is, however, generally accepted that present day administration of government should not depend only on experience to supply the skills and techniques needed for the performance of duties. In Africa, this realization has led to the establishment of training facilities and institutes concerned with the training of public servants.

29. The training institutions which have been established in African countries, especially for the training of civil servants have tended to concentrate on the training of administrators, thus neglecting the training of technical specialists. The training programmes of these institutions have not also been linked with reform measures in the civil service nor have they been planned to relate to the economic and social development needs of the countries. Since the training requirements of African countries are varied and in some cases there is the lack of appropriate national training centres, African countries have also continued to send people to be trained abroad. Although emphasis is placed here on institutionalized training, this does not under-value training on-the-job, which is needed at all levels.

30. In the area of public financial management, the question of qualified personnel poses serious problems taking into account what the mismanagement of financial resources has caused in planning and in the implementation of development plans mainly due to lack of trained and qualified specialists in that field. While African public services require the training of this category of civil servants with professional, technical and managerial skills, they also need training in the principles of integrity, honesty and dedication to duty 10/ which should be imbued in every public official. For instance, it is a common occurrence to have well qualified government account officers who use their skill to defraud the government they serve because they lack honesty and integrity in

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10/ A.J.F. Simmance: "Training in Africa". News of Institutes and Schools of Administration. CAFTAD, Tangiers, Morocco - IC, May 1967.

themselves. In addition, it is necessary that training programmes provide a general orientation in national objectives and a total commitment to the declared policies and philosophies of the national government. Thus, public finance as a profession involving many disciplines should have its own professional code of ethics to which practitioners should subscribe and uphold.

31. The existence of carefully designed training institutions and programmes are themselves valuable contributary factors to the effective development and utilization of civil servants in general and specialists in particular. But recruitment, retention, morale and dedication of specialists in any public service depend a great deal on other factors, such as recognition, salaries offered, opportunity for growth, etc. Specialists employed in private enterprise are much more highly paid than the same talent employed in the civil service. The lack of recognition and insufficient encouragement of individual aspirations, schemes of service, career ladders and limited promotion prospects for specialists have tended to keep away specialists from the civil service.

32. So far, attempts have been made to deal with some of the basic issues of training public financial management officials rather than with the details of training curricula. But it is to be understood that in devising curricula for the training of public financial management officials, the main objective is to increase the overall managerial capability of practising civil servants by focussing their attention on, and developing their knowledge of certain key areas of finance and management, and that the curricula should be developed according to the various categories which enter the public financial management class. In general, areas such as those mentioned below ought to be included in the curricula for the training of public finance officials.

- current issues in public finance;
- public and private sector organisation and their finances;
- management information,
- appraisal capital projects;
- aspects of international finance,
- planning and budgeting, e.g. revenue forecasting, programme budgeting;
- issues in government accounting, auditing;
- issues in taxation,management accounting;
- tools of management,
- ecology of development.

These suggested areas of training should be additional to training in disciplines such as economics and accounting.

33. Effective and efficient public financial management is an important factor in the execution of programmes and projects designed to promote economic and social development in African countries. Improvements which have taken place in financial management and in public administration in general have been dictated by responses to crisis and emergencies. To avoid such short-term measures, it is necessary that African countries should develop objectives and requirements in public financial management so that development effort could go ahead without delay and constraints. The main thrust for dealing with the development of manpower and administrative capabilities in financial management must of necessity come from national governments but also from international systems. Action is therefore needed at national, subregional and international levels.

(a) Action at national level

1. The problems countries do face in the supply of trained specialists in public financial management stem from the fact that this category of civil servants does not comprise a single discipline but are drawn from a variety of disciplines and those civil servants who happen to be involved in public financial management sometimes fall into three classes. One class consists of persons who have already acquired some professional qualifications and can be directly assigned to jobs. The second group consists of college graduates in liberal arts and social sciences and are recruited for managerial/ professional positions. There is a third group of officials who are assigned to public financial management jobs without any pre-entry training or any professional qualification. The first task for national governments is to review the qualifications of entrants for different classes of public finance services and the skill and experience needs of their work schedules so that post-entry training programmes could be evolved according to the needs of the three classes just mentioned with a view to preparing them for the better performance of their tasks.

2. Since financial management functions do change as economic and social development changes, national governments have to provide for in-service training to cater to the changing needs of budgeting, accounting and auditing. In this regard, fellowship programmes are also needed. This will provide opportunities for improving professional knowledge and skills. On-the-job training should be provided for and taken as a continuing requirement in all departments.

3. For those countries where there are national training institutions, it is necessary to review the training programmes offered with a view to designing specialist training courses for the various sectors of the economy. Financial management training should continue to be given an increasingly prominent place in the training programme, particularly the training of persons with teaching and supervisory functions. In this regard, Institutes of Public Administration in African countries would need to provide adequately programmes for the development of financial management capabilities. It will also be essential for ministries of finance to operate their own training schools or centres for the training of civil servants who are mostly involved in the management of government finances.

4. To be able to attract specialists and retain them in the civil service salary structures in national governments would have to be reformed so that salaries offered to specialists are commensurate with their qualifications and relative importance of their duties, taking into consideration also the salaries and conditions prevailing in the private sector.

5. Personnel policies also require changes so as to ensure adequacy of incentives for recruiting and retaining high quality public finance officials.

(b) Action at subregional or regional level

In some African countries where there are no national institutions for the training of civil servants, particularly public finance officials, subregional co-operation will be needed to establish regional institutions for the training of public finance officials. A case in point in this regard is the effort of the newly established Association of African Tax Administratirs (AATA) to set up Regional Tax Training and Research Centres in Africa. Such a move is in answer to the need for the training of African tax administrators.

(c) Action by international organizations and developed countries

1. In recent years, much substantial foreign assistance has been directed to reinforcing local efforts for the building of institutions in African countries with the specific aim of training civil servants and private sector personnel. It is acknowledged that these arrangements have been immensely helpful and have been aimed at helping African countries to reach self-sustaining development. The building and strengthening of institutions is of special interest and whatever assistance African countries received from international organizations or from developed countries, in the long run, the larger effort in training will have to be made by Africans themselves and by local institutions. Where assistance is concerned with institution building, the objective should be to leave behind institutions which will command the respect of the international community and thus attract staff of the highest calibre.

2. Technical assistance in the field of training is needed in terms of scale and quality from international organizations. These organizations should continue and expand their collaboration with the African countries with regard to training, through the provision of financial and technical assistance, devoting special attention to the quality of the services, and the training personnel so made available to African countries.

3. With respect to reaerch, the results of work done in local institutes by foreign independent scholars should be identified more closely with the economic and social development problems of African countries.

(d) ECA assistance to member States in the development of public financial management capacility

1. The design of ECA programme of work and priorities in the field of public finance is derived from various resolutions of the Commission as well as from resolutions of the Economic and Social Council and recommendations adopted by participants in training workshops and seminars which have been organized and conducted by the Economic Commission for Africa on various aspects of public finance. In these resolutions and recommendations, the emphasis has principally been on assistance to member States in the efficient mobilization and effective redeployment of their domestic financial resources through the improvement and development of the basic infrastructures of public finance which are budgeting, taxation and financial management and the development of manpower capability in public financial administration.

2. In response to the resolutions and recommendations, the main thrust of the public finance activities have concentrated on rendering assistance to ECA member States in developing effective public financial management capability and in particular promoting improvements in budgetary management and financial control technique, taxation policies, structures and administration and government accounting and auditing. These activities have all been directed to augmenting the efforts of member States in mobilizing progressively increasing amounts of domestic financial resources and their channelling towards priority areas in economic and social development in line with the strategy to promote self-sustaining economic growth and development.

3. The programme has therefore, been concerned with three or four major infrastructures of public finance, namely:

(i) the development and improvement of budgetary systems and management, which deals with re-orienting government budgeting to enhance it as an effective tool for implementing development plans through the adoption of programme budgeting which is output oriented procedures and methods for harmonizing the budget and the plan to make both mutually reinforcing instruments for planned development

(ii) the strengthening and reforming of taxation system and administration for greater efficiency and productivity. In this area the concern has been the examination of taxation systems and structures in terms of economic, administrative and other relevant factors and assistance in the strengthening of tax administration;

(iii) the improvement in government accounting and auditing so as to be able to serve the economic development process in the most effective and useful manner for decision making about human and material resources, effective and efficient controls, accountability and evaluation of public investments;

(iv) the training of public finance officials at national and subregional levels.

4. To achieve the objectives of the programme, its operational activ ties have consisted of provision, at the request of member States, of advisory services, organizing and conducting group training courses at the regional, subregional and national levels for middle-level public finance officials and undertaking research on budgetary and taxation systems and management the reports of which are used as background documents for training courses and also serve as guidelines to member States in the improvement of public finance management and administration.

5. In the field of advisory services, emphasis has been put on assistance to member States enabling them to adopt a phased programme for streamlining budgetary and taxation systems, policies and administration with a view to ensuring that government receipts and expenditures are consciously planned to effect beneficial changes in the overall level of incomes, prices and employment. Research and studies have concentrated on specific problem areas the solution of which will improve public financial management and related measures and policies. Training courses and workshops on the other hand have aimed at assisting member States in the building up of the national capability for conducting their own training courses and providing opportunity for on-the-job training for middle-level public finance officials.

6. During the second half of the 1970s and in 1980 and 1981 the following activities were initiated and implemented; ten national training courses were organized and conducted on budgeting and taxation in eight member countries at their request. Table I below shows the type of training courses and the requesting countries. In addition to these national training courses, three subregional training workshops were organized and held. These are also shown in the same table.

Table I - Type of Training Courses/Workshops organized and conducted by ECA

Year	Requesting country or subregion	Venue	Type of training course
1976	1. Liberia	Monrovia	National training course on budget-plan harmonization, tax policies and administration
1977	1. Mauritius	Port Louis	National training workshop on tax policy, legislation and administration.
	2. Requested by the Taxation Liaison Conference of the countries of Eastern and Southern Africa	Lusaka Lusaka	Subregional training workshop on taxation policies and administration
1978	1. Southern Sudan	Juba	National training workshop on tax policy and administration and budgetary control procedures
	2. Somalia	Mogadiscio	National training workshop on tax policy and administration and budgetary management
1979	1. Lesotho	Maseru	National training workshop on budgetary and financial management.
	2. Regional	Addis Ababa	A regional workshop conducted in collaboration with the German Foundation on taxation and for the establishment of an Association of African Tax Administrators (AATA)

Table I - Type of Training Courses/Workshops organized and conducted by ECA

(Continued)

Year	Requesting country or subregion	Venue	Type of training course
1980	1. Uganda	Kampala	National training course on taxation with emphasis on strengthening and reforming of tax administration in the government of Uganda
	2. Regional	Monrovia	A regional seminar on taxation of multinationals and double taxation agreement (in collaboration with the German foundation)
	3. Ethiopia	Addis Ababa	(a) Assisted in the conduct of an ILO training course on pension accounting; (b) National training course on taxation and budgeting
	4. Somalia	Mogadiscio	National training course on budgeting and financial management
1981 (February)	1. Mauritius	Port Louis	National training course on budgeting and financial management.

7. In order to provide a forum for African Tax Administrators to exchange experience in the improvement of taxation policies, systems and administration member States have been assisted to establish in 1980 an Association of African Tax Administrators (AATA). The membership of the Association is open to all States that are members of the Organization of African Unity (OAU) and the United Nations Economic Commission for Africa. At present, the following members have become members of AATA: Algeria, Botswana, Cameroon, Central African Republic, Comoros, Egypt, Gambia, Liberia, Malawi, Niger, Nigeria, Senegal, Swaziland, Togo, Mali and Ethiopia. ECA is currently performing the functions of an interim secretariat of the Association.

8. To provide background documents for the training courses and seminars on financial management and taxation and to serve as guidelines in initiating improvements in taxation, buleting and financial management, two studies were initiated and carried out. These are studies on "Innovative developments and improvements on budgetary systems and management in selected African countries" and "country case studies on methods of financial reporting and expenditure control effectiveness" as a basis for developing appropriate budget warning systems in public spending. These studies were carried out in respect of Tanzania, Kenya, Liberia and Sierra Leone.

9. Member States have shown keen interest in the training aspect of the ECA programme. The programme has not however been able to respond fully to the growing needs because of staff constraints. Apart from staff constraints other factors such as financial resources needed for travelling on field missions and to undertake field studies as well as funds for consultancy services have generally been inadequate.

10. Despite these constraints, there are prospects for the programme because of the newly formed Association of African Tax Administrators (AATA) which when it becomes fully operational will collaborate with ECA in the implementation of the public finance programme. Efforts are also being intensified for the establishment of one or more Regional Tax Training Centres for the training of tax and finance officials the lack of which cadres remains one of the bottlenecks in the development and improvement of sound and efficient financial management services in ECA member States.

Action by conference

34. Administration in the public service these days is inseparable from the administration of action related to development planning, plan implementation and follow-up. It requires that civil servants concerned with these functions should be prepared for their tasks to enable them to understand the objectives of economic and social development.

35. Professional staff, such as financial experts all have a role to play in development administration either at the formulation or implementation stages. This category of staff, as for other categories, require special preparation, orientation and training in development administration.

36. In view of the importance of the role, public financial management officials are expected to play in government administration, the secretariat of the Economic Commission for Africa has accorded high priority to the development of manpower capability in public financial management in African countries in its Medium-Term Plan, 1984-1989 and in the Programme of Work and Priorities. The Medium-Term Plan 1984-1989 and the Programme of Work and Prioriges, 1982-1983 have been introduced in document PAMM/HRP/3/81.

37. Realizing also that the operational projects which are being planned in the programme of work and priorities, 1982-83 would need financial and human resources for the implementation, ECA has prepared a regional technical co-operation project document on "Development of Manpower Capability in Financial Management" which is being submitted to UNDP for financial support for its implementation. The objective of the project is to assist African countries in their manpower development for public financial management in order to be able to mobilize and redeploy their financial resources for national development more efficiently.

38. The conference is invited to:

(a) review the programme of work, 1982-83 in the field of public finance with a view to assisting ECA in the implementation of the programme and to give guidelines for the future development and orientation of the programme;

(b) adopt the technical co-operation project on the development of manpower capability in financial management for UNDP financial support during the 1982-86 programming cycle.